

LK Alert

February 26, 2004

Littman Krooks LLP

Medicaid and Nursing Home Issues

SHORTFALLS IN MEDICAID FUNDING FOR NURSING HOME CARE

According to a December 2003 report prepared by a national accounting firm, there continues to be a shortfall between the Medicaid reimbursement paid to nursing homes and the cost of care provided. On the average, nationally, states are underfunding nursing homes by \$11.55 per Medicaid patient day (an 18% increase from last year's average shortfall of approximately \$10 per Medicaid patient day). The following are the most underfunded states:

<u>STATE</u>	<u>PER PATIENT DAILY SHORTFALL</u>
New Hampshire	\$28.18
New Jersey	\$26.55
Utah	\$20.99
Missouri	\$18.60
Massachusetts	\$18.41
New York	\$18.35
Oregon	\$17.97
Washington	\$17.44
South Dakota	\$16.63
Wisconsin	\$16.58

According to the report, "the Medicaid shortfall continues to increase every year because rate increases have not kept pace with nursing home cost inflation." In 2001 (the latest year for which audited or cost report information was available for most states), the total shortfall exceeded \$4.1 billion.

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This shortfall in nursing home funding makes it all the more important that facilities make good admissions and take all steps possible to reduce receivables by identifying and addressing difficult cases (e.g., Medicaid eligibility issues, uncooperative family members, etc.) as early as possible. Littman Krooks LLP specializes in assisting nursing homes with such issues. We encourage you to contact us for further details on how our firm may help your facility reduce its receivables.

Distribution of this LK Alert

Littman Krooks LLP encourages you to share this LK Alert with anyone interested in the issues discussed herein.

Speakers

If you are interested in having an attorney from Littman Krooks LLP speak at your facility, please contact Nicole Garcia at (212) 490-2020 or (914) 684-2100.

Littman Krooks LLP offers legal services in several areas of law, including Medicaid, Health Care, Guardianship, Estate and Tax planning, Public Benefits, Estate Administration/Probate, and Trusts and Estates. Our offices are located conveniently in Midtown Manhattan at 655 Third Avenue, and in White Plains, New York at 81 Main Street.

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